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CHAPTER - 1

INTRODUCTION

The word ‘advertising’ is derived from the latin word ‘adverter’ which means to turn(The Mind) to. Today, all around us one can see how advertising does turn the attention of public to a product, a service or an idea.

1.1 Definition:

According to new Encyclopaedia Britanica, “advertising is a form of communication, intended to promote sale of product/services, to influence public opinion, to gain public support or to advance a particular cause.”

Every person, irrespective of age, income or class consideration is exposed to advertising in one form or other. People may like or hate it but few can remain indifferent to advertising and its persuasive message.

Advertising is virtually everywhere in daily life and its forms and roles are both contested and admired. Some see advertising as both the mirror and the maker of culture; others say it is purely an economic activity with one purpose – to sell. However many advertisers & agencies believe that advertising creates “Magic in the market”.

1.2 Importance of Advertising:

1) It is a Salesmanship in Print.
2) It is an instrument of marketing.
3) It acts as an effective multiple sales person, reaching many people at one time, quickly, & at a relatively low cost.
4) It has got ability to pre-sell products to potential users.
5) It is an essential facility providing freedom of choice to consumers.

Advertising being non-personal, messages are communicated by the advertiser to the target consumers through the various media of communication. Media thus act as connecting link between advertisers & consumers.

1.3 Classification of Advertising Media:

Media available to advertisers are broadly classified into the following Chart:
Of the above media available for advertising, TV is the most powerful media to reach to large number of viewers. As a medium for commercial message it gained popularity only after 1950 in the USA. In India the first commercial was telecasted on January 1st, 1976 and today it has become extremely popular with both the advertisers and the viewers due to following distinguished advantages:

### 1.4 Advantages of TV Advertising

1) T.V. is the medium that combines sound, vision & all in colour. It brings life to product features in the most attractive manner.

2) It appeals to almost all our senses and hence it has a very forceful impact.

3) The television brings the commercial into the drawing rooms of the families. It is like a sales person who talks and persuades them to buy the product.

4) Television ensure quick recognition of the brand and it provokes curiosity about its performance.

5) T.V. is popular in both rural and urban area. Together with satellite and digital technology it has penetrated almost all parts of India.
6) The product can be demonstrated on T.V. Its use can be illustrated and convincing arguments can be made in favour of the product.

7) Television advertising is entertaining. Hence it has got greater recall value.

8) Advertising on Television is considered to be a symbol of prosperous, growth oriented company.

9) Television offers variety in terms of the type of advertisement, due to use of technology.

10) An increase in the number of TV channels allows advertisers to match the audience profile with their target market.

11) Satellite T.V. has given Indian consumers and its advertisers an opportunity to reach out to the world markets.

12) T.V. media is used for constant repetition of advertising, to remind and retain the consumers.

1.5 **Economic Reforms in India influencing TV advertising:**

The decade 1990’s was landmark in the economic history of India as it witnessed a successful transition of India from a controlled, inward looking and slow growing economy to a liberalised and open economy that has found a place amongst fastest growing economies in the world.

Responding to the macro economic crisis of the late 1980s a programme of liberalisation, privatisation and globalisation was initiated in July, 1991. This programme encompassed wide ranging reform measures touching almost every aspect of the Indian economy. The purpose of these economic reforms was two fold -

1) To restore macro economic stability on both, the domestic and external fronts and

2) To place the economy on a higher growth path through enhanced level of investment, improvement in productivity, efficiency and competitiveness.

The wide ranging reforms since then have induced greater efficiency and competitiveness in all spheres of economic activity. The opening up of Indian economy allowed foreign as well as Indian private companies to enter Indian markets and also the sectors previously controlled by government.

The process of globalisation was accelerated by revolution in information and communication technologies with vast volumes of information being transmitted across the world.
In India till economic reforms were announced in 1991, television medium called DD (Doordarshan) was controlled by government. But since 1991, i.e. introduction of LPG programme, the international satellite broadcasting networks have invaded Indian homes. The entry of these channels provided viewers a very good option to DD & a big challenge to outdated format of DD. It has drastically changed the forms and functions of advertising in T.V.

T.V. advertising in post global era has created various opportunities as well as challenges before advertisers. Some of them are enlisted below:

- An increase in the number of channels allows advertisers to match the audience profiles with their target market.
- The variety of programmes on each channel help viewership segmentation while buying time slots.
- Satellite T.V. has given customers & advertisers an opportunity to reach out to the world markets.
- The new T.V. channels gave a wider scope to plan a cost – effective media budget.
- T.V. media is used for constant repetition to remind & retain the customers.
- The planning of media buying & media selling has become challenging task for the advertising agencies.
- Constant increase in the advertising budget by advertisers on T.V.media.

The forthcomming discussion includes origin and growth of advertising in general and TV advertising in particular.

### 1.6 History of Advertising:

The origin of advertising does not lie in the modern industrial age but it has roots in remote past. In India, the earliest proof of advertising can be seen in Ajanta and Elora Caves. The carving of a lady holding a mirror appears to be an advertisement for the mirror.

Advertising as a discrete form is generally agreed to have begun with newspapers, in the seventeenth century, which included line or classified advertising. Simple descriptions, plus prices of products served their purpose until the late nineteenth century, when technological advances meant that illustrations could be added to advertising, and colour was also an attractive element.
However, it was not until the emergence of advertising agencies in the later part of the nineteenth century that advertising became a full fledged institution, with its own ways of working, and with its own creative values. These agencies were a response to an increasingly crowded market place, where manufacturers were realising that promotion of their products was vital if they were to survive.

World War-I saw some important advances in advertising as governments on all sides used advertising as propaganda. The British used advertising as propaganda to convince its own citizens to fight, and also to persuade the Americans to join. Even political dictator like Hitler mentioned in his autobiography *Mein Kampf* that Germany lost the war because it lost the propaganda battle.\(^2\) One of the other consequences of World War I was the increased mechanization of industry and hence increased costs which had to be recovered. To create demand for largescale productions, the role of advertising became significant from the 1920s onward.

Advertising quickly took advantage of the new mass media of the first part of the twentieth century, using cinema, and to a much greater extent, radio, to transmit commercial messages. This was beginning to show signs of working effectively in the 1920s but the Wall Street crash put an end to widespread affluence. The Great Depression of 1930s and World War II meant that it was not until the 1950s that consumers had enough disposable income to really respond to the need creation message of advertisers.\(^3\)

### 1.6.1 Origin & Growth of Advertising

The history of advertising can be broadly divided into four stages.

(i) Pre-printing stage.
(ii) Early printing period.
(iii) Early 20\(^{th}\) century advertising.
(iv) Period of modern advertising.

**(i) Pre-printing Stage :**

Before writing was evolved the word of mouth publicity, town criers, the use of signs and bill boards were popular form of disseminating message. The earliest bill boards were in ancient Egypt. The Egyptians carved out announcements, stone tablets, the signs were in use at least three thousand years ago in Babylon, which advertised the return of run away slaves.\(^4\) Signs were also important in Europe and Asia. There were symbols for each seller’s wares and were developed for those unable to read.
The significant characteristics of advertising of this stage were-

- Advertising were used mainly to inform.
- It catered to local markets
- It depended on person to person contact and not a mass appeal
- Only the spoken words and signs were used
- It was simple to produce and to understand.

(ii) Early Printing Period:

The development of print technology supported the growth of mass advertising. In 1438 John Gutternberg invented movable type of printing which gave a solid foundation for information, education and advertising.

Advertisements were first printed in 1478 when William Caxton, one of the first English printers, mailed printed handbills and notices to advertise his religion book “Salisbury pye”. One of the first recorded advertisement for a commodity was for coffee in 1657. Many newspapers and magazines began appearing in England and America. The first printed newspaper, “The Weekly News” was published in 1622 by Nicholas Bourne and Thomas Archer. In 1711, in England the government imposed a tax of half a penny on every newspaper or magazine sold and an additional tax of a shilling on every advertisement published. But despite the tax, advertising continued to flourish in the 18th century.

In 1729, Benjamin Franklin, the father of American advertising began publishing his newspapers, ‘The Pennsylvania Gazette’. Franklin made many important innovations in newspaper advertising e.g. he separated each advertisement from its neighbours above and below by several lines of white spaces. He started using a large heading for each advertisement. He was the first American to use advertising illustrations such as drawings of spectacles to promote an optician’s advertisement.

In India, the first newspaper was published on Jan. 29, 1780. Bengal Gazette, by Augustus Hickey and the first issue itself carried advertisement. Even the Calcutta Gazette a government published newspaper carried advertisement in its first issue on March 7, 1784. About two hundred years ago advertisement in India were very straightforward. They merely informed the public about the arrival of ships carrying consumer goods and women from England. The women came in search of husbands.

By 1830, there were 33 English dailies and periodicals with a total circulation of only 2205. By 1855, the total number of newspapers and periodicals in Bengal alone was
99. There were 10 in the North, 17 in Mumbai, and quite a few Tamil and Telugu publications in the South. The advertisers were mostly the foreign business houses. Designs and layouts came directly from England and were placed in the newspapers. Some leading newspapers, such as ‘The Statesman’ in Calcutta and ‘The Times of India’ in Mumbai provided some facilities for the preparation of layouts and copy.

The characteristics of early printing period (i.e. the 18th and 19th century) can be listed as under,

- The Evolution of the printing press that increased the reach of advertising.
- Industrial Revolution that compelled manufacturers to use advertising that could sell mass produced products.
- The development of transport and means of communication brought international markets closer.
- Introduction of innovations such as illustrations in printed advertisements.
- Emergence of space contractors for newspapers. The first American advertising agency was set up in 1841 by Volney B. Palmer who acted mainly as space seller.
- The recognition that advertising is necessary for the growth of trade and commerce.
- The introduction of brand names and trade marks increased the importance of advertising.

(iii) Early Twentieth century Advertising

The early 20th century was marked by exaggerated advertising. Though the need for advertising was established, its misuse was severely criticized. The characteristics of this period are summed up as follows:-

- More Professionalisation was introduced in advertising. In 1905, Earnest Elmo Calkins, in United States prepared the first national advertising plan which was developed for Gillette Safety razors.
- There was growing concern about ethics in business in United States. Advertising being the public face of business also came under attack. In 1911, ‘Printers Ink’ the advertisers publication drew up a model state Law penalizing false and misleading advertising. In the same year the Associated advertising clubs of the world also prescribed the code of ethics for advertisers.
- Albert Lasker, who bought an agency called Lord and Thomas in 1898, along with two great copywriters, Claude c. Hopkins and John E. Kennedy, redefined advertising as ‘Salesmanship in Print’.
F. Wayland Ayer had started his agency business in 1869. His was the first agency that offered client advertising rates as charged by the media and then added his commission to that. He also started to prepare copy for clients and to give them advice on media selection and preparation of layouts.

In 1923, Edward S. Jordan created an advertisement that made no mention of product features but instead used an emotional appeal.

The 1930s brought in the great depression when business suffered and purchasing power of consumers eroded. Along with business in general advertising too suffered a setback. Critics blamed advertising as wasteful expenditure that had been one of the causes of the depression.

But the U. S. Economy survived the depression and it was followed by a period of great expansion and growth when advertising increased its reach and influence.

This period witnessed a significant change in mass media. In 1922, radio was introduced and was soon used as an advertising medium. This was followed by television in 1948. In the U.S. radio and television became the prime advertising media.

This period also gave rise to use a motivation research in advertising to find answer to questions about why consumers buy one brand rather than others.

In India, the Swadeshi movement during 1907-1911, helped the growth of the Indian Industries. After the first world war, there was further expansion of the economy. Advertising during this age was not Hindu’s basic ideology of non-materialism. In a country where saving was considered a virtue, advertising asked people to spend and this was not acceptable.

Advertising did not address itself to women as it was the men who were the bread-winners.

The Indian advertiser could not use sex appeal as right approach in selling since such an appeal left the majority of Indian embarrassed.

The print media was the most popular and though films were being made they were not yet exploited as commercial advertising media.

Radio was the fastest growing media, but the Government did not permit its use for commercial advertising. The negative attitude of the government compelled advertisers to use radio Ceylon and radio Goa and thus remit valuable foreign exchange from India where the number of Licensed radio sets was estimated at 7,29,391 in 1953, as compared to 2,48,274 in 1947.

In 1926, the publicity society of India was established by I.S. Taylar. It controlled outdoor publicity in Calcutta covering trams and buses. In 1928, two foreign advertising agencies opened their branches in India, D.J. Keymar in Calcutta and J. Walter Thompson (now Hindustan Thompson) in Mumbai. Trained executives and artists were brought from abroad and advertising in India began to acquire a
professional character. A number of Indian advertising agencies also emerged to meet the needs of the growing Indian Industries.

- The main advertiser continued to be the big British manufacturers and business houses. The media was the English language paper and the main market, the four metropolitan cities Mumbai, Calcutta, Delhi & Madras. As a result, foreign advertising agencies continued to dominate the scene.

- In 1939, the Indian and Eastern Newspaper Society (IENS) was founded to protect and promote the interest of the newspapers. The Advertising Agencies Association of India (AAAI) was formed in 1945 and the Indian Society of Advertisers in 1952. Audit Bureau of Circulation was formed in 1948.

- The Directorate of advertising and visual publicity was started which functions as the advertising agency for the government of India. The Government also appointed a press commission in 1952. Its report published in 1955, contained a chapter on advertising. This was one of the earliest studies made on advertising in India.

(iv) **Period of Modern Advertising:**

Since the 1960s there has been a tremendous growth of advertising in the world. Few characteristics of modern day advertising are:-

- Growing International brands that made it necessary for advertisers to think of global strategies.
- Advertising agencies became more professional, offering a variety of services such as public relations, direct marketing etc.
- The agency business become more competitive as the number of agencies fighting for the same business increased.
- Market research techniques have became more sophisticated specially in the area of media research.
- Creativity became the favourite word of advertising agencies and they began charging fabulous fees for their creative and production efforts.
- In the early 1980’s movie theatres were the most important medium in India followed by press, outdoor commercial radio and finally television. But with the introduction of color and sponsorship programmes on television and satellite transmission, changed the situation drastically. At present television is the most powerful medium.

- The number of financial advertising agencies increased and the share of financial advertising in the total advertising expenditure doubled from 5% in 1984 to 10% in 1986.
Political advertising emerged as a powerful force in 1984, when the advertising agency Rediffusion launched the advertising campaign for Congress(I).

Introduction of Internet & mobile advertising, a widely used media especially in metropolitan cities of India has begun spreading its wings to other parts of India.

Almost all media whether traditional or newly emerged got extensive use by advertiser in the period since the year 2000 onwards.

1.7 History of TV Advertising:

Though many media were available and used by advertisers but invention of TV and its subsequent use for advertising changed the whole scenario of advertising business to marketers and viewers. This topic discusses the invention of TV in few pioneer countries including India and its use for the purpose of advertising.

1.7.1 Invention of Television

The history of television records the work of numerous engineers and inventors in several countries over many decades. The fundamental principles of television were initially explored using electromechanical methods to scan, transmit and reproduce an image. As electronic camera and display tubes were perfected, electromechanical television gave way to all-electronic systems in nearly all applications.

The beginnings of mechanical television can be traced back to the discovery of the photoconductivity of the element selenium by Willoughby Smith in 1873, the invention of a scanning disk by Paul Gottlieb Nipkow in 1884 and John Logie Baird’s demonstration of televised moving images in 1926.

A 23-year-old German university student, Paul Nipkow proposed and patented the first electromechanical television system in 1884. Although he never built a working model of the system, variations of Nipkow’s spinning-disk “image rasterizer” for television became exceedingly common, and remained in use until 1939.

Constantin Perskyi had coined the word television in a paper read to the International Electricity Congress at the International World Fair in Paris on August 25, 1900.\(^5\)

On March 25, 1925, Scottish inventor John Logie Baird gave the first public demonstration of televised silhouette images in motion, at Selfridge’s Department Store in London.
However, if television is defined as the live transmission of moving images with continuous tonal variation, Baird first achieved this privately on October 2, 1925. Then he gave the world’s first demonstration of a working television system to members of the Royal Institution and a newspaper reporter on January 26, 1926 at his laboratory in London.

In 1927, Baird transmitted a signal over 705 km. of telephone line between London and Glasgow. In 1928, Baird’s company (Baird Television Development Company/Cinema Television) broadcast the first transatlantic television signal, between London and New York, and the first shore-to-ship transmission.

In 1929, he introduced first electromechanical television service in Germany. In November of the same year, Baird and Bernard Natan established France’s first television company, Télévision-Baird-Natan. In 1931, he made the first outdoor remote broadcast, of the Epsom Derby. In 1932, he demonstrated ultra-short wave television.

Programming was broadcast by television stations, sometimes called “channels”, as stations were licensed by their governments to broadcast only over assigned channels in the television band. At first, terrestrial broadcasting was the only way television could be widely distributed, and because bandwidth was limited, i.e., there were only a small number of channels available, government regulation was the norm.

At the dawn of television history there were two distinct paths of technology experimented with by researchers. Early inventors attempted to either build a mechanical television system based on the technology of Paul Nipkow’s rotating disks; or they attempted to build an electronic television system using a cathode ray tube developed independently in 1907 by English inventor A.A. Campbell-Swinton and Russian scientist Boris Rosing. Electronic television systems worked better and eventually replaced mechanical systems.

1.7.2 Origin & Growth of TV in Major Countries

(i) United Kingdom - The first British television broadcast was made by Baird Television’s electromechanical system over the BBC radio transmitter in September 1929. Baird provided a limited amount of programming five days a week by 1930. On August 22, 1932, BBC launched its own regular service using Baird’s 30-line electromechanical system, continuing until September 11, 1935. On November 2, 1936 the BBC began broadcasting a dual-system service, alternating between Marconi-EMI’s 405-line standard and Baird’s improved 240-line standard, from Alexandra Palace in
London, making the BBC Television Service (now BBC One) the world’s first regular high-definition television service. TV broadcasts in London were on the air an average of four hours daily from 1936 to 1939. There were 12,000 to 15,000 receivers. Some sets in restaurants or bars might have 100 viewers for sport events. The outbreak of the Second World War caused the BBC service to be suspended on September 1, 1939, resuming from Alexandra Palace on June 7, 1946.

The first transatlantic television signal was sent in 1928 from London to New York by the Baird Television Development Company, “Cinema Television”, although this signal was not broadcast to the public. The first live satellite signal to Britain from the United States was broadcast via the Telestar satellite on July 23, 1962.

The first commercial that aired in the British TV was for Gibbs Toothpaste, which won the honor of Britain’s first TV commercial in a random drawing. The ad was broadcast on September 22, 1955. The ad lasted for 60 seconds.

In the UK, the British Broadcasting Corporation is funded by a licence fee and does not screen advertisement apart from the promotion of its own future programming (either ‘coming soon’ or the day’s later programming features). On the commercial channels, the amount of air time allowed by the UK broadcasting regulator for advertising is an overall average of 7 minutes per hour, with limits of 12 minutes for any particular clock hour (8 minutes per hour between 6pm and 11pm).

The growth of multi-channel television has changed the face of TV advertising making the medium effective for companies with niche products and a targeted audience.

(ii) **Soviet Union (USSR)** - The Soviet Union began offering 30-line electromechanical test broadcasts in Moscow on October 31, 1931, and a commercially manufactured television set in 1932.

Regular broadcasting began on December 31, 1938. It was quickly realized that 343 lines of resolution offered by this format would have become insufficient in the long run, thus specification for 441-line format was developed in 1940, superseded by a 625-line standard in 1944. This format was finally accepted as a national standard.

The experimental transmissions in 625-line format started in Moscow from November 4, 1948. Regular broadcasting began on June 16, 1949.
Broadcasting in the 625-line standard was introduced in other major cities of the Soviet Union. Color television broadcast started in 1974.

The Russian advertising break consists of 2 parts: federal advertisements and regional advertisements. The duration for each is 4 minutes and 15 minutes per hour respectively.

(iii) **France** - The first experiments in television broadcasting began in France in the 1930s, but the French were slow to employ the new technology.

In November 1929, Bernard Natan established France’s first television company, Télévision-Baird-Natan. In December 1932, Bathélemy carried out an experimental programme in black and white definition: 60 lines one hour per week, “Paris Télévision”, which gradually became daily from early 1933.

The first official channel of French television appeared on February 13, 1935, Broadcasts became regular from January 4, 1937 from 11:00 to 11:30 am and 8:00pm to 8:30 pm during the week, and from 5:30pm to 7:30 pm on Sundays. In 1939, there were about only 200 to 300 individual television sets, some of which were also available in a few public places.

With the entry of France into World War II the same year, broadcasts ceased and the transmitter of the Eiffel tower was sabotaged. On September 3, 1940, French television was seized by the German occupation forces. On October 1, 1944, television service resumed after the liberation of Paris. On November 20, 1948, Mitterrand decreed a broadcast standard of 819 lines; broadcasting began at the end of 1949 in this definition. France was the only European country to adopt it.

France is the only European country not to use the system clock time. The Conseil supérieur de l’audio visuel allowed upto 9 minutes of advertising per hour on average in a day. Private channels can only broadcast one commercial break if the show is less than an hour and two commercial break if the show is more than an hour. For public channels, the advertising is forbidden after 8 pm.

(iv) **Germany** - Electromechanical broadcasts began in Germany in 1929, but were without sound until 1934. Network electronic service started on March 22, 1935, on 180 lines using telecine transmission of film, intermediate film system, or cameras using the Nipkow Disk. The Berlin Summer Olympic Games were televised, using both all-electronic iconoscope-based cameras and intermediate film cameras, to Berlin
and Hamburg in August 1936. Twenty-eight public television rooms were opened for anybody who did not own a television set. The Germans had a 441-line system on the air in February 1937, and during World War II brought it to France, where they broadcast from the Eiffel Tower.

With the introduction of regular television broadcasts in 1929, Germany witnessed the first use of television within two years of the invention of television. The Berlin Olympic Games were broadcast live on television in 1936. Over the last few decades, television has become one of the major components of mass communication and entertainment.

In Germany, public television stations own a major share of the market. Their programming is funded by a licence fee as well as advertisements on specific hours of the day 5 p.m. to 8 p.m., except on Sundays and holidays. Private stations are allowed to show up to 12 minutes of ads per hour with a minimum of 20 minutes of programming in between interruptions.

(vi) U.S.A. - In the U.S., the Federal Communications Commission (FCC) allowed stations to broadcast advertisements in the beginning of 1941, but required public service programming commitments as a requirement for a license.

The first regularly scheduled television service in the United States began on July 2, 1928. The Federal Radio Commission authorized C.F. Jefkins to broadcast from experimental station W3XK in Wheaton Maryland, a suburb of Washington, D.C. For at least the first eighteen months, 48-line silhouette images from motion picture film were broadcast.

Irregularly scheduled broadcasts continued through 1937 and 1938. Regularly scheduled electronic broadcasts began in April 1938 in New York and Los Angeles. NBC officially began regularly scheduled television broadcasts in New York on April 30, 1939 with a broadcast of the opening of the 1939 New York World’s Fair. From May to December 1939, the New York City NBC station (W2XBS) of General Electric broadcast twenty to fifty-eight hours of programming per month, Wednesday to Sunday of each week. The programming was 33% news, 29% drama, and 17% educational programming, and 21% entertainment with an estimated 2,000 receiving sets by the end of the year, and an estimated audience of five to eight thousand.

The FCC saw television ready for commercial licensing, and the first such licenses were issued to NBC and CBS owned stations in New York on July 1, 1941, followed
Philco’s station WPTZ in Philadelphia. After the entry of the U.S. into World War II, the FCC reduced the required minimum air time for commercial television stations from 15 hours per week to 4 hours. Most TV stations suspended broadcasting. On the few that remained, programmes included entertainment such as boxing and plays, events at Madison Square Garden, and illustrated war news as well as training for air raid wardens and first aid providers. In 1942, there were 5,000 sets in operation, but production of new TVs, radios, and other broadcasting equipment for civilian purposes was suspended from April 1942 to August 1945.

The National Television System Committee, created by the Federal Communications Commission (FCC) and composed of engineers, made recommendations for electronic television system standards. These were adopted in the spring of 1941. World War II delayed the commercial development of the television, although research and development targeted for the war effort resulted in the possibility of better products for consumers. At the close of World War II, there were less than 7,000 working television sets, and only nine stations on the air, in the entire country. The United States was the leader in television technology, primarily because advances were made directly before, during and after WWII, when America’s major competitors in television development, Germany and England, halted their research programmes.

The first TV commercial ever aired on July 1, 1941, during a baseball game featuring the Brooklyn Dodgers and Philadelphia Phillies. The ad was for Bulova watches and featured a watch face superimposed over a map of the U.S. A voiceover for the commercial said “America runs on Bulova time.” The company paid $9 to run the ad.

TV Networks offered centralized sales, distribution and production services which lowered costs for individual affiliates. The system was geared towards generating advertising revenue as well, because advertisers were interested in the ability to reach nationwide audiences.

During the first five years of the 1950s, ownership of televisions skyrocketed, affecting other forms of entertainment available to the public. This time period witnessed, the closing of many movie theaters, as motion pictures competed with television for consumer attention.

When the television was completely a new phenomenon – with sound and moving images, the advertising industry moved cautiously in this arena, because they were not sure if it would work best ways forward to promote products on TV to their customers.
In the early years of television, losses were common in the industry due to the high costs involved and relatively low number of sets owned in the U.S. Profits grew as the market expanded, and the size of the network market peaked in 1986. At that time, competition from cable TV, Pay Per View TV and VCRs began to cut heavily into market share.

There are at least five basic types of television in the United States: broadcast, or “over-the-air” television, unencrypted satellite or “free-to-air”, Direct Broadcast Satellite, cable television, and IPTV (internet protocol television). Over-the-air and free-to-air TV is free with no monthly payments while Cable, Direct Broadcast Satellite, and IPTV require a monthly payment that varies depending on how many channels a subscriber chooses to pay for.

The United States has a decentralized, market-oriented television system. Unlike many other countries, the United States has no national broadcast programming service. Instead, local media markets have their own television stations, which may be affiliated with or owned and operated by a TV network.

Ninety-nine percent of American households have at least one television and the majority of households have more than one. As a whole, the television networks of the United States are the largest and most syndicated in the world. TV advertisements are identified by an ISCI code.

Commercial breaks have also become longer. In the 1960s a typical hour-long American show would run for 51 minutes excluding advertisements. But now a similar programme would only be 42 minutes long; a typical 30-minute block of time now includes 22 minutes of programming with six minutes of national advertising and two minutes of local. Some networks even use a 18 minutes of show 12 minutes of advertising split.

In the United States, the TV advertisement is generally considered the most effective mass-market advertising format, and this is reflected by the high prices TV networks charge for commercial broadcasting airtime during popular TV events. The annual Super Bowl American football game is known as much for its commercial advertisements as for the game itself.

It is also observed that commercials target the 18-49 age demographic; older viewers are of almost no interest to most advertisers due to their unwillingness to change their buying habits. The number of viewers within the target demographic is more important to ad revenues than total viewers.
In recent years, trend has changed. Shows that target young women tend to be more profitable for advertisements than shows targeted to younger men, this is due to the fact that younger men are watching TV less than their female counterparts.

Beginning on January 2, 1971, advertisements featuring cigarettes were banned from American TV. Advertisements for alcohol products are allowed, but the consumption of any alcohol product is not allowed in a television advertisement. Since the late 1990s TV advertisements have become far more diverse, and household products and foods that are not new are no longer generally advertised

1.7.3 History of T.V. advertising in India

Television broadcasts in India started from Delhi in September, 1959 as part of the All India Radio's service. Programmes were broadcast twice a week for an hour a day on such topics as community health, citizens' duties and rights, and traffic and road sense. In 1961, the broadcasts were expanded to include a school educational television projects. Gradually Hindi films and musical programmes were added as entertainment programme. A limited number of old US and British shows were also telecast sporadically.

The first major expansion of television in India began in 1972, when a second television station was opened in Mumbai. This was followed by stations in Srinagar and Amritsar in 1973, and Kolkata, Coimbatore and Lucknow in 1975. Relay stations were also set up in a number of cities to extend the coverage of the regional stations. In 1975, the Government carried out the first test of the possibilities of satellite based television through the Satellite Instructional Television Experiment (SITE) programme.

In 1976, the Government of India constituted Doordarshan, the national television network, as a separate department under the Ministry of Information and Broadcasting. The year 1976 witnessed a significant event in the history of Indian television, the advent of advertising on Doordarshan. Until that time, television had been funded through a combination of television licenses and allocation from the annual budget (licenses were later abolished as advertising revenues began to increase substantially). Advertising began in a very small way with under 1% of Doordarshan's budget coming from advertising revenues in 1976-77.

But the possibility of reaching a nationwide audience made television look increasingly attractive to advertisers after the introduction of the "National Programme" in 1982. In November 1982, the country hosted the Asian Games and the Government introduced colour broadcasts for the coverage of the games.
Doordarshan began to shift its programming policy to include entertainment programmes along with educational and informational programmes. The commercialization of Doordarshan saw the development of soap operas, situation comedies, dramas, musical programmes, quiz shows and the like. By 1990, Doordarshan's revenues from advertising were accounting for about 70% of its annual expenditure.

By 1991, Doordarshan's earlier mandate to aid in the process of social and economic development had clearly been diluted. Entertainment and commercial programmes had begun to take center stage in the organization's programming strategies and advertising had come to be Doordarshan's main source of funding. But 1991 saw the beginning of international satellite broadcasting in India and the Government launched a major economic liberalization programme. Both these events combined to change the country's television environment dramatically.

Doordarshan was the only channel available to Indian viewers and as the concept of television was very new, viewers were very much interested in almost everything that appeared on their television screens. Therefore, the advertisement also got due respect from the viewers. But, with the advent of various channels and more innovative, entertaining programmes and content, viewers started feeling irritated with ads when aired frequently in the middle of their favorite programmes.

**TV Commercials**

TV commercial is the advertising message that is carried in a limited time span of 10 seconds, 30 seconds or 60 seconds. The copy of the commercial includes the audio part; the words spoken by character and the video part consisting of the visuals, actions and camera clues. It also includes music and sound effects.

TV commercials are aired before the programme, at the end of the programme and during the course of programme by taking what is called a commercial break.

DD sells its advertising time in terms of 10 second spots or its multiples or as a free commercial time along with sponsored programmes. The DD gets revenue from the sponsor for using FCT. The sponsor has to bear the revenue charged by the DD and the cost of the programme alternatively a private producer/production company is sold a time slot on a channel against fees. The private producer gets advertising time which he sells to the advertisers to recover his production costs, as well as fees. A TV company may buy software outright for e.g. rights to telecast a film the TV company then sells ad time.
1.8 Techniques of Evaluating Advertising Effectiveness (In terms of audience matrix)

A television programme or a commercial sent over the air, on a cable system, or direct from a satellite is available for viewing by millions of viewers. How does one know how many of those millions are actually viewing a particular programme? Unlike a newspaper or a magazine, where the publisher can count how any copies are sold, there is no direct way to know exactly how many people are watching any given programme.

Hence, indirect measuring techniques based on the statistical sampling theory, called Television Audience Measurement (TAM), are used. Such technique is called as audience metrix or television metrix. The techniques uses TRP system (Television Rating Points). It reports on the weekly viewership of individuals aged 8 years and above residing in TV owning homes.

TRPs provide information about the TV viewing habits and the socio economic background of the audience. These helps the advertisers and media planners in selecting the particular programme, channel and time to advertise their product.

In India, television matrix have gone through several phases in which it fragmented, consolidated and then fragmented again with the enhanced used of TV and increased viewership of various programes on different channels.

The agencies engaged in measuring audience metrix in India are:

♦ DART

During the days of the single channel Doordarshan monopoly, DART (Doordarshan Audience Research Team) was the only metric available. This used the notebook method of record keeping in 33 cities across India. DART continues to provide this information independent of the Private agencies. DART till this date is the only rating system that still measures audience metrics in Rural India.

♦ TAM & INTAM

In 1994, claiming a heterogeneous and fragmenting television market ORG-MARG introduced INTAM (Indian National Television Audience Measurement). Ex-officials of DD (Doordarshan) claimed that INTAM was introduced by vested commercial interests
who only sought to break the monopoly of DD and that INTAM was significantly weaker in both sample size, rigour and the range of cities and regions covered.

In 1997, a joint industry body appointed TAM (backed by AC Nielsen) as the official recordkeeper of audience metrics. Due to the differences in methodology and samples of TAM and INTAM, both provided differing results for the same programmes.

In 2001, a confidential list of households in Mumbai that were participating in the monitoring survey was released, calling into question the reliability of the data. This subsequently led to the merger of the INTAM systems into TAM. For several years after this, in spite of inefficiency about the process, sample and other parameters, TAM was the defacto standard and monopoly in the audience metrics game.

♦ AMap

In 2004, a rival ratings service, funded by a group of American NRI investors, called Audience Measurement Analytics Limited (AMap) was launched. Although initially, it faced a cautious uptake from clients, the TAM monopoly was broken. Its uniqueness is that ratings are available as early as next day as compared to TAM’s timeline of next week.

1.9 Technological innovations -

The continuous technological innovations in television made it viewer friendly and at the same time gave a good opportunity to marketers to reach large number of audience.

The first live national television broadcast in the U.S. took place on September 4, 1951 when President Harry Truman’s speech at the Japanese Peace Treaty Conference in San Francisco, California was transmitted over AT&T’s transcontinental cable and microwave radio relay system to broadcast stations in local markets.

In 1958, the CBC completed the longest television network in the world, from Sydney, Nova Scotia to Victoria, British Columbia. Reportedly, the first continuous live broadcast of a “breaking” news story in the world was conducted by the CBC during the Springhill Mining Disaster, which began on October 23 of that year.

The development of cable and satellite television in the 1970s allowed for more channels and encouraged businessmen to target programming toward specific audiences.
It also enabled the rise of subscription television channels, such as Home Box Office (HBO) and Showtime in the U.S., and Sky Television in the U.K.

◆ **Color Television**

A successful color television system began commercial broadcasting, first authorized by the FCC on December 17, 1953 based on a system invented by RCA.

◆ **Cable TV**

Cable television, formerly known as Community Antenna Television or CATV, was born in the mountains of Pennsylvania in the late 1940s.

◆ **Remote Controls**

It was in June of 1956, that the TV remote controller first entered the American home. The first TV remote control called “Lazy Bones,” was developed in 1950 by Zenith Electronics Corporation (then known as Zenith Radio Corporation).10

◆ **Plasma TV**

The very first prototype for a plasma display monitor was invented in 1964 by Donald Bitzer, Gene Slottow, and Robert Willson.

◆ **Web TV**

WebTV was a system created in 1996 allowing access to the Internet and interactive programmes through a set-top box connected to a television Establishment.

Though both T.V and films are audio-visual media, T.V technology is distinct from that of films – electronic signals are transmitted at the speed of light and they reach right into our homes.

The innovation in T.V technology are depicted in following Chart:
CHART No. 2 : Innovation in T.V Technology

- Innovation in T.V Technology
  - Direct broadcast satellite (DBS)
  - Multi channel T.V
  - Terrestrial Transmission of T.V
  - Multi Media set Computer Database,
  - Pay T.V, FM Broadcasts
  - Fiber Optics Integrated switching Digital networking (ISDN).
  - High Definition T.V (HDTV)
  - TV as flat as wall tiles uses LCDs or LEDs
  - Interactive Digital TV
  - 3-D TV, TV Set on glasses
  - Virtual Reality Laser Images Without Screen

1.10 Developments in TV advertising

The following developments in TV advertising denotes the need based approach of advertiser.

Single Sponsor Programmes

In the early years of American TV, each programme would have a single sponsor, rather than a group of sponsors. Some of these “single sponsor” shows included “Kraft Television Theater” and the “Colgate Comedy Hour.”

Magazine - Concept of Advertising -
NBC executive Sylvester L. “Pat” Weaver came up with a solution that would work and would also be very favorable to the networks. He introduced the “magazine concept” of television advertising. In this arrangement, the sponsors would purchase blocks of time (typically one to two minutes) in a show rather than be a sponsor for an entire show. This idea would allow a variety of sponsors. Like a magazine, the networks would now control the content as, no one advertiser, would “own” a particular show.\[11\]

The so-called “magazine” concept in television advertising grew to prominence in the 1960s. In this format, as in today’s TV ad world, sponsors would pay the networks for a block of time to run their advertisements.

The development of magazine concept of advertising is really the birth of modern television advertising. The only exception is the infomercial, which is really a return to the model used to show advertising sponsored in the early days of television.

By 1960, the magazine concept dominated television advertising, as it has ever since. Instead of relying on audience identification with a specific show, sponsors now spread their messages across the schedule in an effort to reach as many consumers as possible. The ability to spread their advertising money to reach a broader segment of the population proved to be very effective for the sponsors. Where once they were locked into a specific time block every
day or every week on a particular network, they could now choose the times and the networks where they wanted their message to be seen.

**Ref. :**


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10) www.careresearch.com

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